



A STUDY ON FINANCIAL INCLUSION AWARENESS THROUGH PRADHAN MANTRI JAN-DHAN YOJANA IN GUNTUR DISTRICT

Dr. Vedala Naga Sailaja

Assistant professor, K L University, Guntur, AP

Dr. Uma Maheswara Rao T

Professor & Registrar, K L University Guntur, AP

ABSTRACT

Shri Narendra Modi on 28th August, 2014. Pradhan Mantri Jan DhanYojana, is an ambitious scheme for comprehensive financial inclusion launched by the Honorable Prime Minister of India. He had announced this scheme on Independence Day 2014. The scheme has been started provide universal access to banking facilities starting with basic banking accounts with overdraft facility, RuPay Debit Card with inbuilt accident insurance cover and RuPayKisan card. An effort has been made in this paper to study the progress made under Pradhan Mantri Jan DhanYojana scheme. The study is based on primary sources like questioner, secondary sources collected from published articles, various journals and official websites of PMJDY. The study concludes that, PMJDY scheme has created a positive result in the banking sector with respect to abolition of financial untouchability in the country.

Keywords: Pradhan Mantri Jan DhanYojana, Banking servies, Rupay Debit Card, Financial Inclusion.

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1. INTRODUCTION

As a measure towards financial inclusion of the poor in the national conventional, the government launched the “Pradhan Mantri Jan-DhanYojana” (PMJDY) on 28 August 2014. Financial inclusion: It has been defined, by the Committee on Financial Inclusion, 2008, as the process of safeguarding access to financial services and timely and adequate credit where needed by exposed groups such as weaker group and low income groups at an cheap cost. It primarily represents access to a bank account backed by deposit insurance, access to reasonable credit and the payments system. Pradhan Mantri Jan DhanYojana (PMJDY) puts

the financial inclusion efforts on the mission mode. It is a comprehensive programme aiming at ensuring that the financially excluded people can approach to financial services, such as banking accounts, payment, credit, insurance deposit accounts and pension in a cheap manner. PMJDY accounts can be opened in any bank branch or business communication (BC) (Bank Mitra), even with zero balance. However, if the account holder requires a cheque book, she / he will have to meet the minimum balance criteria placed down by the bank. PMJDY focuses on coverage of families as against the earlier plan which focused on coverage of villages. It focuses on coverage of rural as well as urban areas. Earlier plan targeted only villages population while under PMJDY whole country is to be covered by extending banking facilities in each sub services area consisting of 1000-1500 households such that facility is available to all within a reasonable distance.

2. REVIEW OF LITERATURE:

Harpreet Kaur and Kawal Nain Singh (2015) studied the recent trends in financial inclusion in India with special reference to Pradhan Mantri Jan Dhan Yojana (PMJDY), highlighting its key areas and suggest strategies to ensure maximum financial inclusion for the underprivileged and unbanked areas.

Patnaik (2015) analyzed that, only 13.8% of the respondent in Bhubaneswar have access to bank accounts and out of the total respondent who do not have bank account due to various reason are alarming are not aware of PMJDY scheme. Amongst males 78.9% and in 95.08% were not aware of the scheme. The study concluded that, the banks should make more effort in creating awareness on zero balance account and should aggressively campaign for such scheme.

Prof Srilatha (2015) Although most countries have a household-level income and expenditure survey which may include some questions on financial access, these surveys collect a broad range of household information, and rarely provide enough detail about financial inclusion to be adequate. Furthermore, household surveys are expensive, and generally only carried out every few years.

Dr.Vinit Kumar, (2014) in his Research Paper on, “An Analytical Study: Relevance of Financial Inclusion For Developing Nations” by Dr. An-upama Sharma and Ms. SumitaKukreja, The study focuses on the role of financial inclusion, in strengthening the India’s position in relation to other countries economy. For analyzing such facts data for the study has been gathered through secondary sources including report of RBI, NABARD, books on financial inclusion and other articles written by eminent authors.

Research gap: In all the above studies focus is more on the progress of financial inclusion with different tools use as business corresponding and SHG. No comprehensive study has yet been done to find out the awareness on PMJDY for financial inclusion. Hence the study focused to examine the status of financial inclusion through PMJDY and the awareness towards PMJDY.

Need of the study: Despite various measures for financial inclusion, poverty and exclusion continue to dominate socio economic and political discourse in India after six decades of post economic independence era. 100% financial inclusion is still a dream project. PMJDY launched on 28th August, 2014 shows the nation hope of light.

3. OBJECTIVES:

1. To study the present status of Pradhan Mantri Jan Dhan Yojana.
2. To find out the factors affecting access to financial products and services
3. To find out people awareness about “Pradhan Mantri Jan - Dhan Yojana (PMJDY)” scheme.
4. To suggest measures to overcome problems in attaining financial inclusion.

HYPOTHESES:

H1: There is no relationship between Gender and benefits of “Pradhan Mantri Jan - Yojana (PMJDY)” scheme.

H2: There is no relationship between Gender of the respondents and their Awareness about “Pradhan Mantri Jan - Dhan Yojana (PMJDY)” scheme.

H3: There is no relationship between Age of respondents and their Awareness about the “Pradhan Mantri Jan - Dhan Yojana (PMJDY)” scheme.

H4: There is no relationship for factors affecting access to financial products and services.

SCOPE OF THE STUDY:

The prime objective of financial inclusion in developing countries like India is the access and availability of banking and payments services to the entire population at the reasonable cost and without any discrimination. The implication of the financial inclusion is much needed when the exclusion mass is entrapped in the hydra headed cycles of poverty. This causes further social exclusion which is very much detrimental for the equitable growth of the country. That is why there is an urgent need to implement effectively PMJDY by virtue of financial inclusion as all other development activities are hindered by this single disability. This is an important step towards converting Indian economy into a cashless and digital economy. Hence there is a need to study financial inclusion through PMJDY.

4. RESEARCH METHODOLOGY:

The present study is descriptive in nature. The present study is based on primary data. The data for the research has been taken with the help of structured questionnaire. The collected data is analysed with SPSS software. The research work is descriptive in nature. . A survey questionnaire designed and distributed to find out the factors affecting people to access formal financial products and services in Guntur district.

Sample size:

More than 150 respondents have enthusiastically taken part in this research study and 150 samples are considered for the study.

DATA ANALYSIS:

The data analysis is completely done with the help of SPSS. In order to achieve the objectives of the study statistical techniques are used and the results are presented below. The statistical tools used for the analysis of data are descriptive statistics- Independent t-test, ANOVA, Mean.

Table 1 showing the Gender and benefits of “Pradhan Mantri Jan - Dhan Yojana (PMJDY)” scheme

Table 1 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Bank initiation	Equal variances assumed	.948	.332	-.869	148	.386	-.09877	.11364	-.32333	.12579
	Equal variances not assumed			-.871	145.103	.385	-.09877	.11345	-.32299	.12546
Savings facility	Equal variances assumed	.347	.557	1.047	148	.297	.12829	.12248	-.11375	.37033
	Equal variances not assumed			1.053	146.823	.294	.12829	.12177	-.11237	.36894
Overdraft facility	Equal variances assumed	.829	.364	-1.021	147	.309	-.20199	.19785	-.59299	.18900
	Equal variances not assumed			-1.025	145.665	.307	-.20199	.19707	-.59147	.18748
Insurance Facility	Equal variances assumed	.829	.364	-1.021	147	.309	-.20199	.19785	-.59299	.18900
	Equal variances not assumed			-1.025	145.665	.307	-.20199	.19707	-.59147	.18748
Pension	Equal variances assumed	.010	.919	.173	145	.863	.02649	.15289	-.27568	.32866
	Equal variances not assumed			.173	140.680	.863	.02649	.15284	-.27566	.32865
Government	Equal variances assumed	.296	.587	.389	148	.698	.05475	.14084	-.22356	.33306
	Equal variances not assumed			.391	146.408	.697	.05475	.14019	-.22231	.33181
Retirement Benefits	Equal variances assumed	.296	.587	.389	148	.698	.05475	.14084	-.22356	.33306
	Equal variances not assumed			.391	146.408	.697	.05475	.14019	-.22231	.33181
Excellent Service	Equal variances assumed	.342	.559	1.356	148	.177	.17928	.13220	-.08196	.44052
	Equal variances not assumed			1.356	144.306	.177	.17928	.13218	-.08198	.44055
no fills	Equal variances assumed	.378	.540	-.217	148	.829	-.02791	.12879	-.28241	.22659
	Equal variances not assumed			-.216	140.509	.830	-.02791	.12951	-.28396	.22814

The relationship among variables of the benefits of “Pradhan Mantri Jan - DhanYojana (PMJDY)” scheme and Gender is tested in the above table. It is observed that there is no significant difference between the Gender of the respondents and benefits of “Pradhan Mantri Jan - DhanYojana (PMJDY)” scheme. Hence, Null hypothesis is accepted.

Table 2 showing the Gender of the respondents and their Awareness about “Pradhan Mantri Jan - DhanYojana (PMJDY)” scheme

Table 2 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Awareness	Equal variances assumed	.334	.564	.289	147	.77	.01395	.04825	-.08140	.10930
	Equal variances not assumed			.288	140.463	.774	.01395	.04849	-.08191	.10981
Account	Equal variances assumed	.376	.541	-.556	148	.579	-.06549	.11781	-.29829	.16732
	Equal variances not assumed			-.552	139.541	.582	-.06549	.11862	-.30001	.16904
About	Equal variances assumed	2.817	.095	.197	148	.844	.02415	.12254	-.21801	.26632
	Equal variances not assumed			.195	134.152	.846	.02415	.12416	-.22140	.26971

The relationship among variables of awareness and Gender is tested in the above table. It is observed that there is no significant difference between the Gender of the respondents and awareness. Hence, Null hypothesis is accepted.

Table 3 showing the Age of respondents and their Awareness about the “Pradhan Mantri Jan - DhanYojana (PMJDY)” scheme

Table 3 ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Awareness	Between Groups	.091	4	.023	.258	.905
	Within Groups	12.585	143	.088		
	Total	12.676	147			
Account	Between Groups	5.346	4	1.336	2.704	.033
	Within Groups	71.164	144	.494		
	Total	76.510	148			
About	Between Groups	2.436	4	.609	1.099	.359
	Within Groups	79.805	144	.554		
	Total	82.242	148			

The Age respondents and their Awareness about the “Pradhan Mantri Jan - DhanYojana (PMJDY)” scheme. Hence, Null hypothesis is accepted.

Table 4 showing factors affecting access to financial products and services

Table 4 factors affecting access to financial products and services

	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
Hightransaction	150	2.6133	.87306
Bankinterestrates	150	2.4200	1.05085
Lackofsupport	150	2.6133	.87306
no friendly bank	150	2.4200	1.05085
excessive legal procedure	150	2.6133	.87306
no collateral	150	2.4133	1.06303
no knowledge about financial products	150	2.4133	1.06303
No nearby Financial Institutions	150	2.4200	1.05085
Lack of Trust	150	2.4133	1.06303
no effective advertisement	150	2.4067	1.04333
very low rate of interest	150	2.6133	.87306
lack of id proof	150	2.4133	1.06303
time consuming	150	2.5067	.85724
not user friendly	150	2.4200	1.05085
not required document support	150	2.4200	1.05085
unsecured transactions	150	2.5067	.85724
no money to transact	150	2.4267	.71744

The Factors affecting to access formal financial products and services .The overall mean score of the variable pertaining to the factors affecting to access formal financial products and services is 2.47 which shows the people are agreeing that they are having less problems in taking up financial products and services. Hence it is an alarm for the banking industry to concentrate more on the affecting factors to access formal financial products or services.

5. FINDINGS:

- Irrespective of the gender people have awareness about “Pradhan Mantri Jan-DhanYojana”.
- The overall mean score of the factors affecting to access formal financial products and services is 2.47 which shows the people are agreeing that they are having less problem in taking up financial products and services.
- Irrespective of the Age people have awareness about “Pradhan Mantri Jan-DhanYojana”.

6. SUGGESSTIONS:

- Access to formal financial products and services is the foremost objective of any financial inclusion programmes or mission. Hence it is mandatory for the government and the banking sector to identify and remove the factors that are causing barriers for people to engage in formal finance.
- Government should operate the system to provide enough knowledge and awareness to people regarding the schemes functioning to create financial inclusion.
- Financial counselling is very essential for the people to get rid of all the problems to access the formal financial source for their needs and necessities.

- The Banking sector should rework on their objectives and strategies to provide better financial products and services which serves for wellbeing of the people. That is profitable for people.

7. CONCLUSION:

The Pradhan Mantri Jan Dhan Yojana scheme has substantial growth in number of accounts opened. In globalized scenario, it is important to financially include all sections of the society in this scheme to achieve the goal of inclusive growth of the nation. Success of the PMJDY scheme depends on the effective regulatory system as in the stakeholders have to build a sustainable ecosystem to keep the accounts active and successful implementation of the programme. The challenge is the conversion of the non-operative accounts with zero balance into operative and for this it's important to focus on financial literacy programme. Inclusive growth "Sab KaSath Sub KaVikas" is central to our development philosophy. This mission would enable all households, urban and rural to gain easy and universal access to financial services. Exclusion from the banking system excludes people from all benefits that come from a modern financial system. The PMJDY scheme is fully helpful to rural and urban area people in getting directly government financial services.

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